

# PART 6 - EXHIBIT H

## IMPROVEMENT PROJECT PROCEDURES

*This Exhibit H should be considered by bidders as a standard approach for how they will be expected to proceed in getting their projects approved. To the extent that any of the procedures outlined here do not seem to apply to the unique proposal of a particular bidder then this may be altered. However, all bidders must be aware that Reclamation retains the right to make adjustments to this exhibit as you may propose if you are identified as a successful bidder. Any alterations will occur after selection and as a part of the final process to adjust the contract and all exhibits to be applicable to the eventual final concession contract.*

### A. INTRODUCTION

This exhibit presents step-by-step procedures for the administration of concessionaire building projects (construction, rehabilitation, improvements, and repair and maintenance projects) within Reclamation area. Project planning and design are presented first, followed by guidelines for project supervision. All projects undertaken by the concessionaire require a coordinated effort between the concessionaire and the area manager. This exhibit applies to the building of improvements, including new structures or facilities, rehabilitations, and the repair and maintenance (“R&M projects”) of existing concession facilities that change the nature, appearance, or value of existing concession facilities. Day to day facility operations, custodial, and preventive maintenance and maintenance needed for facility operations are not considered R&M projects subject to these procedures. Repair and maintenance is also not to be considered a project subject to these procedures when the activity does not change the nature, appearance, or value of existing concession facilities. All projects must be proposed, approved, and accomplished under these procedures. In the event of any inconsistency between this exhibit and the main body of this concession contract, the main body of the concession contract will prevail.

All project activities shall be directed and managed as presented in the annual IMP. In addition to these activities, the IMP should present a schedule of project development and implementation, as presented below under Item B, Project Planning and Design, paragraph 1. Individual projects included in the IMP will be authorized by Reclamation through an approved project statement (PS).

Projects may be required to be reviewed under the National Environmental Policy Act (NEPA) of 1969, as amended. Projects within historic and culturally significant areas may require certain building management methods established under the National Historic Preservation Act of 1966, as amended. All construction shall comply with codes and building requirements adopted by Reclamation, including without limitation and where applicable, the most recent International Building Code; NFPA codes; the Americans with Disabilities Act requirements; Reclamation Manual Policy and Standards

and Directives; and the Reclamation Concession Management Guidelines. All concession facilities shall be harmonious in form, line, color, and texture with the surrounding landscape.

The concessionaire is responsible for all aspects of project development and implementation. The role of Reclamation is to provide direction, authorization, and oversight. The concessionaire and Reclamation staff must work closely together to successfully complete construction projects in a manner that achieves the goals and objectives of the area of operation and of Reclamation.

## **B. PROJECT PLANNING AND DESIGN**

The concessionaire will be provided with copies of Reclamation's Recreation Facilities Design Guidelines and Sign Guidelines to assist in meeting the conditions of this section. It is also noted that as part of this overall process the Concessionaire will need to receive appropriate building and other required permits from Napa County as required by State and County law or regulation. If Reclamation requirements in this section exceed the requirements of Napa County or vice versa the requirements followed must be those that are most demanding unless there is a written waiver signed by both the county and Reclamation.

### **1. Submit an Annual Improvement Management Plan**

Before approval to proceed with any project is granted by Reclamation, the concessionaire must submit an IMP for implementation the following year to Reclamation and the area manager. Some projects may require several years of planning and design before construction. The purpose of the plan is to identify the need and scope of projects 1 year in advance of actual work to allow adequate time to prepare for project commencement. The IMP should include any intended projects. Projects shown in the plan must include at least a project title, a project concept description, a brief statement of justification, and anticipated NEPA and section 106 planning and compliance established in collaboration with Reclamation staff.

### **2. Notify Reclamation of Intent-to-Proceed**

The concessionaire shall formally notify the area manager and Reclamation, in writing, of intent to proceed with any facility planning, design, or projects. To assist Reclamation in sequencing and scheduling necessary support staff, the project must be identified in the IMP the calendar year before the project is to begin. The time of notification shall be sufficiently in advance of any concessionaire budget formulation to ensure the requirements of the area manager are included in the project scope before the project is funded.

### **3. Identify a Project Coordinator**

The concessionaire project coordinator must be identified for each project. This person should have the authority to obligate project expenditures and hire and direct consultants, contractors, and concessionaire support staff.

#### **4. Prepare a Proposed Project Statement**

Arrange and facilitate a project planning conference with Reclamation staff and prepare a proposed project statement (PS) to be submitted to the area manager for review. The conference should be performed on the proposed project site, if needed.

- a. **Conference Goal and Product.**—The primary goal of the conference is to clearly identify the project concepts and scope in sufficient detail to carry the project through to completion without significant deviation from an approved PS.

The product of the conference should be an approved PS prepared by the concessionaire resulting from collaboration between the concessionaire and the area manager.

- b. **Project Statement Content.**—The PS shall include the following at a minimum: project description; justification; scope of work, including NEPA and NHPA section 106 planning and compliance; estimated total project price; proposed schedule; milestones of Reclamation design review; and third party project inspection and certification. The elements of the PS will function as check points of accountability and will vary in frequency and scope, depending upon the nature, complexity, and scope of the proposed project.
- c. **Capital Investment Recovery.**—If the concessionaire seeks CIR as a result of a construction project, the concessionaire must request and receive the written approval of the proposed construction project by the area manager in accordance with the terms in this concession contract. An estimate of the amount of CIR shall be identified in advance if the concessionaire requests CIR. The estimated CIR costs shall be separately identified as part of the total project price and substantiated, if requested, with written and competitively acquired price proposals or construction contracts. Not all projects qualify for CIR.
- d. **Expected Value of Capital Investment Recovery.**—The concessionaire's expected CIR value in real property improvements is determined by the method described in exhibit C of this concession contract.
- e. **Professional Services and Construction.**—The concessionaire must ensure that, for any project requiring professional services, such services shall be acquired from appropriate registered technical professionals. Licensed contractors shall perform all project work unless otherwise approved in writing by the area manager. The concessionaire shall, at the request of the area manager, provide for registered technical professionals to perform project inspection or facility certification or any other service needed for project implementation.

- f. **Reclamation Operations.**—Any aspect of the proposed project where the scope of work interfaces with Reclamation operations, such as utility service connections or road maintenance operations, must be clearly identified in the PS.
- g. **New Development Design.**—All designs, layouts, and footprints for new development will be determined with the professional assistance and techniques of appropriate registered technical professionals (e.g., design specialists and landscape architects knowledgeable in the development of recreational vehicle parks, lodging facilities, campgrounds, marinas, wastewater treatment, infrastructure, maintenance, and operational support facilities). Reclamation's Sign Guidelines should be used when planning for new or replacement signs.

## **5. Submit Project Statement for Reclamation Review**

The proposed PS shall be submitted by means of written correspondence from the concessionaire to the area manager. A PS signed by the area manager constitutes official authority for the concessionaire to continue further project development to the level specified in written correspondence from the area manager. The concessionaire may obtain authority to complete a project when sufficient planning and design have been completed to meet the interests of Reclamation. Projects that do not have the level of required planning are likely to receive only conceptual approval and authorization to proceed with further planning or design as required to ensure Reclamation objectives are met.

- a. **Project Statements Containing Claims for Capital Investment Recovery.**—A PS must present an estimate of project expenditures to be claimed for CIR purposes. The eligibility of any expenditure for CIR will not be identified until all project planning, including NEPA and NHPA section 106 compliance, if required, is complete to the satisfaction of the area manager. An approved PS serves only as a guide for further project development to the level specified in the PS. The area manager shall approve final CIR costs only after project completion and written project closeout.
- b. **Design Required for Capital Investment Recovery Eligibility and Value.**—The area manager may require an appropriate level of design to determine whether a project is eligible for CIR and, if so, its estimated cost. The level of project planning and design required will include completion of the conceptual design, schematic design, landscaping design, footprint design, or preliminary engineering design to clearly identify the elements eligible for CIR. Some projects may require the completion of construction drawings and specifications before the proposed CIR is documented to the satisfaction of the area manager. All improvements for which CIR is claimed must be defined in the record “as-built” construction drawings and specifications when the concessionaire submits its request for CIR at project closeout.

## **6. Establish a Project File**

A file of all project documents shall be held by the concessionaire as a chronological audit trail of all project decision making activity for each project from concept development to completion and Reclamation acceptance. Each project shall be identified with a unique project number assigned by Reclamation. All documents entered into the file should have the project identification number clearly displayed on it as part of document identity.

- a. **Capital Investment Recovery Project File.**—The project file will become a CIR project file when the concessionaire requests approval of CIR. It shall be established and maintained by the concessionaire and shall include all the documents identified in Section C, Assessment, of this exhibit (below). This file shall be submitted at the time of project closeout to the area manager and Secretary as the basis for the CIR request. As part of this file, the concessionaire must maintain auditable records of all expenditures attributable to each project and have them available for review if requested by Reclamation personnel. Invoices shall contain sufficient information to identify the tasks completed or products delivered as agreed upon in contracts presenting a full scope of work. The file shall clearly provide a “paper trail” between expenditures eligible for CIR purposes and the payment of those expenses.
- b. **Typical Project File.**—The organization of a typical project file is presented in the following sections:

***Section A - Project Statement.***—The approved PS, scope of work, and a copy of the notice-to-proceed letter authorizing planning and design that was sent to the concessionaire by the area manager should be filed in this section.

***Section B - Planning.***—This section should contain documents pertaining to any project planning. Typical documents include those produced for NEPA and NHPA section 106 compliance. Also contained in this section should be any concept design, preliminary design, or schematic design correspondence and documents. When the area manager grants approval for any of the above stages of project development, correspondence from the area manager should be filed in this section.

***Section C - Assessment.***—This section should contain a record of any assessment performed during project implementation. Soil, vegetation, flood plain, structural, and electrical assessments, for example, should be filed in this section. Any other existing site or facility investigative reports and all quality assurance documents such as third-party project inspection, testing, and certification should also be filed in this section.

***Section D - Design.***—This section should contain a record of documents produced and decisions made during the design phase of a project. The design phase typically occurs when project activity has shifted from conceptual discussion to organizing detailed direction provided to a contractor for construction. Correspondence from the area manager providing design approval should be in this section.

***Section E - Project Work.***—This section should contain a record of decisions made during project work. The letter from the area manager granting notice-to-proceed with the project should be in this section. All contractor proposals, change-orders, design modification documents, daily construction activity records, weekly meeting minutes, etc., should be in this section. Documentation for larger projects should be organized according to subcontractor activity or standard specification enumeration. The final documents filed in this section should be Reclamation correspondence sent to the concessionaire providing project acceptance and closeout.

***Section F - Financial.***—This is a very important section where a copy of all contracts and contract modifications should be filed. It is important to ensure that all expenditures are accounted for. All expenditures must have supporting documentation cross-referenced with documents in other file sections, if necessary. Monthly financial detail reports shall be prepared and filed in this section with copies of all project budget documents. This section must contain all correspondence supporting CIR with appropriate cross-reference to other sections for clarity of the CIR “paper trail.” This section must contain the IRS Useful Life Table matching the IRS taxes filed for that year with a clear indication that the project will be capitalized or expensed. Also contained in this section shall be a copy of the project acceptance and closeout letter from the area manager that specifies the amount of CIR, if any, applicable to the project.

***Section G - Photo Documentation.***—Complete documentation, including before-and-after photos, records of any special situations or conditions requiring changes, and documentation of methods used, should be kept to support requests for CIR and to assist future maintenance or appraisal efforts. Photographic documentation is also usually required for modifications to “listed” historic structures. To be most useful, photos should be filed with the documents they support.

## **7. Submit Resource Compliance Documents for Review and Approval**

During development of the PS, responsibility for compliance work will be established. The concessionaire must request the participation of Reclamation staff early in project planning to ensure uninterrupted project implementation. Development of compliance documentation must occur as soon as possible. Every effort shall be made to perform compliance document preparation tasks concurrently with project planning and design.

- a. **Historic and Cultural Compliance.**—Historic and cultural compliance document approval is required for property listed in or eligible for inclusion in the *National Register of Historic Places*. Any undertaking affecting property listed shall be performed in accordance with “Reclamation of the Interior’s Standards for Rehabilitation and Illustrated Guidelines for Rehabilitating Historic Buildings.” The concessionaire must document proposed actions before any work

occurs for any project that may affect a historic structure, historic district, cultural landscape, archeological site, or historic object or furnishing. Compliance will usually require the preparation of at least “assessment of effect” drawings and specifications to the level of final documents, if required. Compliance shall carry through to submission of the “Construction or R&M Completion Report” for many projects where significant changes are made to the historic structure or landscape. Therefore, compliance document approval usually will not occur until after submission of project documents. Historic compliance review and approval will require at least several weeks from date of submittal to Reclamation. Where submittal is made to the State Historic Preservation Officer or the Advisory Council on Historic Preservation, additional time will be required before approval may be given.

- b. **Ground Disturbance.**—Where ground disturbance will take place, submittal of drawings that show area and depth of proposed ground disturbance will be required. Submittal of this document early in project planning is recommended. All project documents that include soil disturbance shall have the following specification included within them:

Petroglyphs, artifacts, burial grounds or remains, and structural features and ceremonial, domestic, and archeological objects of any nature, whether historic or prehistoric, found within the project area are the property of, and will be removed only by, the Government. Should the contractor’s operations uncover or its employees find any archeological remains, the contractor shall suspend operations at the site of discovery, notify the Government immediately of the findings, and continue operations in other areas. Included with the notification shall be a brief statement of the location and details of the findings. Should the temporary suspension of work at the site result in delays or the discovery site require archeological studies resulting in delays for the contractor; the contractor will be compensated by an equitable adjustment under the general provisions of the contract.

- c. **Archeological Monitoring.**—Monitoring project activity is a requirement of cultural compliance when significant ground disturbance occurs during project work. Any cultural resource monitoring required shall be performed under the direction of Reclamation. Reclamation shall be notified sufficiently in advance of the need for a monitor and will assist the concessionaire in making arrangements for the services of an archeological monitor at the expense of the concessionaire if Reclamation is unable to provide the expertise.
- d. **National Environmental Policy Act Compliance.**—NEPA compliance document approval is required before any construction or R&M project occurs for any project that has an impact on the environment. Projects requiring compliance will be identified by Reclamation early during project planning. The actual review period length may vary widely depending on the nature, scope, and complexity of the project elements that relate to resource compliance. Projects that have an insignificant effect on Reclamation resources usually require a “categorical exclusion” determination. Projects having a significant effect on

Reclamation resources or that are not part of other NEPA compliance documentation may also require a longer period of implementation.

## **8. Submit Project Documents for Review and Approval**

The concessionaire shall submit project documents to establish project activity for review and approval by the area manager. Approved project documents establish the full scope of the project and the quality of work to be performed by the concessionaire. The scope of the documents required will be identified in the PS. The scope and detail of the documents will vary depending on the nature and complexity of the project. “Manufacturer’s cut-sheets” may be all that is required for some R&M projects, and for others, complete detailed drawings and specifications may be required. The concessionaire is responsible for the technical accuracy and completeness of all project documents and shall provide the technical review as needed to ensure compliance with all applicable Federal, State, and local statutes, codes, regulations, and appropriate industry standards. Any exception to this will be by written authorization from the area manager.

## **9. Submit a Project Estimate and Schedule**

An estimate of the total project price and completion schedule shall be submitted to the area manager before work begins. This is a revision of the total project price and completion schedule estimated in the PS. The project estimate and schedule are based on the best information available that was identified during project planning and design.

# **C. PROJECT MANAGEMENT PROCEDURES**

## **1. Identify a Project Supervisor**

A project supervisor shall be identified and vested with the authority to direct the contractor on behalf of the concessionaire. Reclamation will direct its communication concerning the nature and progress of project activity to this person. The project supervisor shall have full responsibility for ensuring that all construction complies with the approved project documents and specified code compliance. Reclamation will not take any responsibility for projects until project closeout and acceptance when Reclamation receives certification of completed work performed in compliance with project documents and all specified codes.

## **2. Submit a Total Project Price for Review**

All projects completed under the terms of this concession contract, regardless of whether CIR is requested, shall include submittal of a total project price in writing to the area manager for review.



### 3. Notice-to-Proceed with a Project

A Notice-to-Proceed with a project will be issued when all submittals requested by the area manager have been reviewed and approved. The Notice-to-Proceed must be received by the concessionaire in writing before any project work occurs.

### 4. Hold a Pre-Project Conference with the Contractor

The concessionaire shall arrange and facilitate a pre-project conference as needed or as requested by Reclamation with the contractor. The purpose of the conference is to provide Reclamation the opportunity to meet the contractor and confirm that the contractor has full understanding and knowledge of all work to be performed. In addition, the conference provides the opportunity to confirm established communication linkages between the concessionaire, the contractor, and Reclamation. Any questions the contractor may have regarding any matter of the project or anything about area access, rules, and regulations may also be discussed.

### 5. Submit Project Activity Reports (as Required)

A record of project activity shall be provided by the concessionaire on all approved projects. The scope and frequency of performing this documentation shall be identified upon submittal of project documents for Reclamation approval. The concessionaire is responsible for the accuracy and completeness of all design and completed projects.

- a. **Content.**—Project activity reports shall summarize daily project activity recording important observations and decisions. They shall also identify project expenditures to date if required for CIR purposes. The reports shall identify any changes to the approved project documents either by change order or as a result of any other variance from approved project documents. Reclamation shall be notified immediately if a change is likely to occur in the total project price. (See the discussion below for review and approval of change orders and contract modifications.)
- b. **Regulatory Code Compliance and Project Inspection (as Required).**—Inspection reports specifically addressing regulatory code compliance and adherence to project documents will be required, at the request of the area manager, during certain stages of the work. Independent industry certified inspectors or registered technical professional subject area experts shall perform all inspections and project component certification. Inspection reports shall be prepared that include all findings and results of code compliance inspection. Sections and paragraphs of applicable codes shall be referenced when deficiencies are noted. Recommendations presenting remediation shall accompany line item deficiencies in the report. All inspection reports shall be included in the final project completion report. Inspection reports must be submitted before the project is accepted by the area manager.

## **6. Submit Requests for Changes in Approved Project Documents**

The area manager's approval will be required before any significant changes are made to the project scope during the completion of projects. The concessionaire shall provide Reclamation with written notification immediately upon identifying the need for a change in project scope that affects any of the items listed below. The written notification shall include a request to change the approved project documents. The request will be complete with justification and explanation of the effect of the change on all other aspects of project design and work. Requests for any significant changes in the approved project documents shall be reported in project activity reports, and any documentation requested will be attached. Changes in approved project scope that need to be made after the work has started will require review and approval of the area manager. Some examples might include the following:

- Changes affecting natural, cultural, or historic resources.
- Changes in designated visual appearance.
- Changes in the interface with Reclamation utility or road facility maintenance operations.
- Changes in project scope or the estimated CIR, as required for facility improvement projects.
- Proposed changes that involve natural or cultural or historic resources may require a significant period of review, depending on the complexity of the concern.

## **7. Submittal of Change Orders for Review and Approval**

When one of the five factors listed in (6) above exists, the concessionaire shall submit, for the review and approval of the area manager, documentation justifying the proposed changes. The concessionaire shall also submit a revised total project price for each proposed change, as needed, indicating the proposed change in estimated CIR, if any. All change orders or any other means of directing the contractor that may have the effect of increasing the total project price will require the area manager's review and approval if the project has CIR implications.

## **8. Reclamation Project Inspection**

A representative of the area manager will inspect the project periodically. These inspections are not in lieu of or in any way a substitute for project inspection provided by the concessionaire. Ensuring safe, accountable project activity and providing the contractor with direction to fulfill the full scope of approved work is the responsibility of the concessionaire.

## **9. Project Supervision Documents**

Project drawings and specifications must be kept on the project site, complete with any design or project modifications, in a well-organized form. The construction supervisor shall keep a current “red-line” copy of approved project documents updated daily showing any changes. In addition, a well-organized file of submittals required in the approved project documents and approved where required by professional architects and/or engineers must also be kept on the project site with the project documents for periodic inspection by Reclamation staff.

## **10. Substantial Completion Inspection and Occupancy**

Joint inspection by Reclamation and the concessionaire will occur upon notification that the project is substantially complete. A “punch list” of work items will be formulated and performed to “closeout” the project. The area manager will accept the project when the “punch-list” items are completed. The concessionaire will be notified in writing by the area manager. The concessionaire is not to occupy the facility until authorized in writing by the area manager.

## **11. Requesting Approval of Capital Investment Recovery**

Upon substantial completion of a capital improvement project, as determined by the area manager, the concessionaire must provide the area manager with a written schedule of requested CIR eligible costs incurred. The schedule becomes the concessionaire’s request for CIR approval. The project file containing actual invoices and the administrative record of project implementation must support these expenditures and shall be submitted to the area manager for review with the request. If requested by the area manager, the concessionaire shall also provide written certification from a certified public accountant regarding the CIR costs. The certification must comply with the requirements of exhibit C of this concession contract.

## **12. Project Completion Report**

Upon completion of any project, the concessionaire shall submit a project completion report to Reclamation. The completion report shall include the total project cost; before-and-after photo documentation; warranties; operation and maintenance manuals, if required; all inspection and certification reports; and “as-constructed” drawings. (See item 13, below.) Projects where CIR is requested may require the submittal of any other similar documents deemed necessary by Reclamation to establish complete project documentation. The level of documentation requested may also include photo documentation provided during construction to record significant unforeseen site and construction conditions that necessitated changes to approved project documents and the approved total construction price.

### **13. “As-Constructed” Drawings**

The “as-constructed” drawings included with the project completion report for all projects shall be full-size, archival quality, prepared in accordance with Reclamation management policies and must be submitted before the project is accepted by Reclamation. At least two half-size sets of drawings shall also be provided. The drawings establishing CIR shall provide a full and complete record of all “as-constructed” facilities, including reproductions of approved submittals and manufacturer’s literature documenting quality of materials, equipment, and fixtures in addition to a record set of project specifications approved for construction.

### **14. Request Project Acceptance and Closeout by the Area Manager**

The concessionaire shall request project acceptance by the area manager either at the time of submittal of the Project Completion Report or at any time thereafter. Project acceptance will be contingent upon fulfillment of all requested project completion work tasks and submittal of all project documentation in accordance with these guidelines and as requested by Reclamation. Until receiving formal written project acceptance and closeout from the area manager, the concessionaire retains full responsibility for all project construction activity and liability for both completed and uncompleted work. For CIR projects, the project closeout letter issued by the area manager will specify the granted amount of CIR value resulting from the project.

**Exhibit H Approved Effective:** \_\_\_\_\_

#### **UNITED STATES OF AMERICA**

By: \_\_\_\_\_  
Area Manager, Bureau of Reclamation

#### **CONCESSIONAIRE**

By: \_\_\_\_\_  
Title: \_\_\_\_\_